

**MINUTES OF THE MEETING OF THE
UNIFORM COMMERCIAL CODE COMMITTEE
OF THE BUSINESS LAW SECTION
OF THE STATE BAR OF CALIFORNIA**

**Tuesday, April 22, 2008
Offices of Morrison & Foerster LLP
(Los Angeles and San Francisco)**

The April 22, 2008 meeting of the Uniform Commercial Code Committee (the "Committee") was called to order at approximately 10:00 a.m., with Wansun Song presiding.

A. ADMINISTRATIVE MATTERS

1. **Appointment of Secretary.** Kenneth Miller agreed to serve as Secretary for the meeting. However, due to a client emergency, he had to leave the meeting early and Edith Warkentine assisted in the preparation of the minutes.

2. **Roll Call/Attendance.** Please refer to the attendance sheet attached at the end of the minutes.

3. **Consideration/Approval of March 11, 2008 Meeting Minutes.** The minutes of the March 11, 2008 meeting were approved with minor corrections.

4. **Meeting Dates; Change in Meeting Dates:**

a. **Meeting Dates:** Committee meetings are generally held on the second Tuesday of the month at 10:00 a.m. However, the following was discussed with respect to upcoming meeting dates:

- The next Committee meeting is scheduled for May 9, 2008 and will be held in-person in Oakland near the Oakland Airport.
- The next regularly scheduled meeting is set for June 5, 2008.
- There was a discussion as to whether to hold meetings on July 8, 2008 or August 12, 2008.
- The September 26, 2008 meeting will be an in-person meeting in Monterey from 1:00 p.m. to 3:00 p.m. A cocktail reception with the Insolvency Committee and other Committees of the Business Law Section is scheduled from 4:00 p.m. to 6:00 p.m.

5. **Subcommittee Membership:** Several candidates for new members to the Committee were discussed. It was agreed that Edith Warkentine and Patrick Costello would be contacting these candidates to determine if they were still interested in joining the Committee and to discuss the workload involved in Committee membership. Thereafter, the Committee will jointly discuss all of the candidates together, as opposed to discussing the candidates individually.

B. MAIN AGENDA ITEMS

1. **Hidden Liens Project.** The revised report was attached to the April 22, 2008 agenda. It was requested that the members review the attached draft and make any comments by the close of the business day on April 25, 2008, and if no comments were received, that the draft be published on the UCC Committee website in draft form.

2. Article 9 Amendments Subcommittee.

2.1 Vasco reported that the IACA memorandum is in final form, except for the addition of language clarifying that the work product is that of the Committee and not of the Business Law Section or the California State Bar. The Committee voted to approve the memorandum, subject only to minor stylistic changes that had been suggested and needed to be reviewed.

2.2 This Subcommittee was continuing to prepare the individual debtor name memorandum. It was requested that any further comments to the latest draft of the individual debtor name memorandum be sent to Vasco Morais by tomorrow, April 23, 2008. Harry Sigman reported that Nebraska legislature had enacted a law delaying the effective date of the proposed amendment to Uniform Commercial Code Section 9503 for one year and may change the proposed amendment in the meantime. Enactment of delaying legislation may also occur in Tennessee. At the request of the UCC Committee, Mark Porter said that he would check with the Executive Committee (ExCom) regarding whether Ex Com review of the memorandum is necessary.

3. **Revised Insolvency Committee Proposal in California Code of Civil Procedure Section 697.530.** Ellen Friedman from the Insolvency Law Committee reported that the latest draft of the Affirmative Legislative Proposal (“ALP”) regarding California Code of Civil Procedure had been circulated to both the Uniform Commercial Code Committee and the Agribusiness Committee. Ms. Friedman explained that the ALP did not take into account special priority for the agriculture lien allowed under Uniform Commercial Code Section 9322(g). The Insolvency Committee considered adding similar provisions in Commercial California Code of Civil Procedure § 697.530 or 697.590 so as to make it clear that these sections did not change the Uniform Commercial Code.

Wansun Song reported that he spoke to Robert Trodella who had told him that, except for the Agribusiness Committee input, the proposal looked fine and incorporated all the changes

suggested by the Uniform Commercial Code Committee. He suggested that we vote on the proposal at the May, 2008 meeting; he will circulate the final version of the ALP before that meeting.

4. **Publications and Programs Subcommittee.** Kenneth Miller unfortunately had to leave the call due to a client emergency but thanked Janice Kosel and Patrick Costello for participating in the first webinar. He also thanked Edith Warkentine for her help in preparing the materials. Ms. Kosel reported that the webinar had thirty six attendees and was very successful. She suggested that the next Committee webinar could be a repeat of Wansun Song's presentation about unusual methods of perfection. Mark Porter congratulated the Committee on completing the webinar and said that it was a huge plus and encouraged continued webinars.

5. **ALI Proposal to Amend Choice-of-Law in Article 1 of the Uniform Commercial Code.** The Committee discussed an ALI proposal to amend the choice of law provision in UCC Article 1 to conform to the practice of states who have enacted revised Article 1 without enacting the uniform choice of law provision. Edith Warkentine will ask her colleague on the ALI to keep us advised of the progress of the ALI proposal. It is anticipated that no Committee action need be taken with respect to this proposal at this time.

6. **Deposit Control Agreements Subcommittee.** Karl Christiansen reported that this subcommittee had convened for four meetings and reviewed the comments previously found on ABA drafts to the form deposit control agreements. The subcommittee is discussing whether the forms are worth encouraging California financial institutions to adopt and use. Karl asked how best for this Subcommittee to proceed. Vasco Morais suggested that this Subcommittee stay involved as to new forms that may be proposed by its ABA counterpart committee.

7. **Partnership Guide Subcommittee.** John Oehmke reported that the subcommittee members are preparing detailed outlines in the next few weeks and may have drafts of these detailed outlines for Committee input at the next June, 2008 meeting. A draft for the chapter of the partnership guide will need to be completed by August of this year.

8. **Bogus Filing Subcommittee.** John Oehmke distributed with the meeting materials a recent article indicating that "bogus" financing statements continue to be a problem.

9. **Commercial Money Center Case Subcommittee.** Vasco Morais reported that he has not had much time to do further work in connection with the Subcommittee.

10. **Legislation and Case Law Tracking Subcommittee.** This Subcommittee did not report.

11. **Website Development and E-Communications Subcommittee.** This Subcommittee did not report.

12. **Essay Contest.** Sandra Montgomery will chair the essay contest Subcommittee. It was suggested that Ms. Montgomery talk to both the Health Law Committee and the Insolvency Law Committee regarding how to make a paper submitted for this contest

comply with various law school's upper level writing requirements so as to generate more submissions.

13. **Status Report from Executive Committee.** Mark Porter noted that it appears that the UCC Committee is on top of recruitment for next year. He reminded the Committee that Officers for the 2008 – 2009 need to be identified by the May, 2008 meeting.

14. **Status Report from Insolvency Law Committee.** No report other than the proposed change to Civil Procedure Section 697.530 mentioned above.

15. **Status Report from Corporation Committee.** Chuck Ortmeier provided his report and stated that the Corporations Committee was not involved in matters which would be of interest to the Uniform Commercial Code Committee at this time.

The meeting concluded at approximately noon.

Meeting Attendance

Attendees	January 8	February 12	March 11	April 22
Janice E. Kosel	Present	Present	Present	Present
Wansun Song	Present	Present	Present	Present
Edith R. Warkentine	Present	Present	Present	Present
Patrick Costello	Present	Present	Absent	Present
Harry C. Sigman	Present	Present	Present	Present
Peter Burke	Present	Absent	Present	Present
Karl H. Christiansen	Present	Present	Absent	Present
Kevin Cops	Absent	Present	Present	Present
Michael DuQuesnay	Present	Present	Absent	Present
Zachary S. Finley	Present	Absent	Present	Present
Elliot Hinds	Absent	Absent	Absent	Absent
George Kalikman	Absent	Present	Absent	Absent
Ken Miller	Present	Present	Present	Present
Sandra Lee Montgomery	Absent	Absent	Present	Present
Vasco H. Morais	Present	Present	Present	Present
Theotis F. Oliphant	Absent	Present	Absent	Absent
John Oehmke	Present	Absent	Present	Present
Jane K. Springwater	Present	Present	Present	Present
Leila Tredemeyer	Present	Absent	Absent	Absent
Robert A. Trodella, Jr.	Absent	Absent	Absent	Absent
Demetria Vong-Spillan	Absent	Absent	Present	Present
Mark Porter (Ex Com Liaison)	Absent	Present	Present	Present
Barry Dubin	Present	Absent	Absent	Present
Jay Bingham (Insolvency)	Present	Absent	Present	Absent
Jim Cochran (Ex Com)	----	Present	Present	Absent
Chuck Ortmeyer (Corp.)	----	Present	Present	Present

Ellen Friedman, the Insolvency Committee liaison, and Steve Sepinuck also attended the March 11 meeting.